

BOARD MINUTES OF A REGULAR MEETING  
OF THE HOUSING AUTHORITY  
OF THE CITY OF MILLVILLE

January 22, 2019

A regular meeting of the Millville Housing Authority Board of Commissioners was held on Tuesday, January 22, 2019 at the Riverview West Community Room. 100 Riverside Drive, Millville, NJ. The meeting convened at 5:00 p.m.

Chairwoman Paula Ring announced the Sunshine Law requirement had been met, properly posted and advertised and conducted under the Open Public Meeting Act.

Karen Chiarello, Director of Administration proceeded to call the roll at this time. Present were: Chairwoman Paula Ring, Vice Chairman Larry Miller, Commissioner Tesoroni, Commissioner Santoro, Commissioner Flickinger, Commissioner Townsend and Executive Director/Secretary Paul Dice. Also, present were MHA Solicitor Arnold Robinson and MHA Staff.

Chairwoman Ring asked for a motion of the approval of the December 18, 2018 minutes. Commissioner Miller made a motion to approve the minutes and Commissioner Tesoroni seconded. Chairwoman Ring abstained, all others present were in favor.

### **Financial Summary**

For December 2019, the Millville Housing Authority posted \$76,849 in positive net income. The MHA maintains \$166,447 in positive year-to-date income.

The Holly City Family Center posted \$4,522 in positive net income for December. It has an accumulated negative year-to-date net income of -\$12,424. They are moving at the right direction. The membership numbers are up, which is what was expected after the first of the year. The Family memberships have increased, and this is where the facility makes the most money. Family memberships increased by 6, Parent/Child memberships have gone up as well.

### **Occupancy**

Our overall occupancy rate is at 96%. Betsy Loyle indicated that this will be improving shortly as we have 7 apartments ready to be leased and another 7 ready to be turned. She also stated that we had survived the arctic blast, the maintenance department did a very good job prepping. The elevator project at Jaycee Plaza is back on track.

## **Government Shut Down**

The U.S. Department of Housing and Urban development (HUD) is one of the federal departments that has been shut down by the political impasse. However, we have been told that we should be able to access the necessary Operating Fund and Capitol Fund revenue for Public Housing and Section \* through 2/28/19. After that, federal funding will cease unless Congress appropriates additional fund.

Our Public Housing operations are in considerable jeopardy without federal funding. We can forego many building modernization projects in the short run. But we are in deep trouble if we cannot afford to pay for gas, electric, water, sewer, fire protection systems, elevator system maintenance, insurance, trash hauling, etc. Further, and quite significantly, we might have to furlough staff.

The question now is, how much do we receive in non-federal funding for Public Housing, e.g., tenant rent, revenue from commercial tenants, roof top rental for cell phone towers, etc., to cover necessary recurring costs if the shutdown compromises funding from 3/1/19 forward? We are in the process of preparing an Emergency Shutdown Budget.

The Public Housing Operational Contingency Plan will dictate what bills can be paid and what day-to-day functions will be performed and by who. For example, we can temporarily close the office and suspend many administrative functions, e.g., new tenant processing, recertifications of existing tenants, lease enforcement, etc. We can even suspend routine work orders such as unit turnovers, painting, preventative maintenance, etc. But we must continue responding to emergency work orders such as elevator operation problems, broken windows and external doors, water and gas leaks, heat malfunctions, sewer and toilet backups, water pump failures and fire alarm calls. And those are just a few emergency work examples.

The Contingency Plan for Section 8 is quite different than that for Public Housing. This program is 100% reliant on federal funding. We do not generate any additional non-federal revenue. However, we understand that HUD will be making reserve money in the amount of approximately \$80,000 available to us. That's the good news. The bad news is that we pay landlords almost \$120,000 each month. All landlords will be paid in full for January and February. For March alone, though, roughly 34% of our landlords will not be paid if the shutdown continues. There would be no funds to pay any landlord from 4/1/19 forward.

Atlantic City Electric has been contacted to see if they will forego payments for all three housing authorities during the shutdown on the condition that the bills would be paid once operations resume. We are happy to report that they agreed to work with us. The bills will continue to be generated, however the accounts will not be put into collections for non-payment. This includes URP's as well.

Commissioner Tesoroni asked if we had a similar agreement with the gas company. Betsy indicated that she was working on this.

Paul assured all the tenants that were present that utility coverage was a top priority.

### **Outsourcing of Information Technology Services**

We executed the contract with Barber Consulting Services last month. The outsourcing has gone well. With the transition largely behind us, we are now beginning the process of redesigning our web sites. They are definitely due for an update.

### **Gloucester County Housing Authority**

We had been contacted previously about managing 20 of the Section 8 vouchers for Gloucester. The work has been declined. The financial liability was too high. It would not be a problem to offer our services on a contract basis, but we do not want to be committed financially to the landlords. We do not want to compromise of Section 8 resources.

### **Insurance Brokerage Services**

There is a resolution to re-appoint Mints Insurance.

### **Landscaping and Snow Removal**

Following a publicly advertised bid for which two companies submitted responses, we determined that Team Reed Landscaping of Vineland is the lowest responsible bidder. Their annual fee for landscaping is \$45,468 plus \$150/hour for snow removal. The contract will run from 2/1/2019-1/31/2020 with an option to renew the subsequent year at the same rate and terms.

### **Rental Assistance Demonstration Program (RAD)**

Tony Polcari from Polcari & Co. spoke about RAD. This is a program instituted by HUD 5 years ago. It is an alternate source of funding.

HUD's current system does not allow funding for capital improvements, it only helps with 'large' improvements. RAD allows you to opt out of the current funding model and enter project based rental assistance. HUD would take the current Capital and Operating funds along with rents currently being received and determine what the new rental rates would be. The authority would operate like a private landlord. We would have a budget for future improvements. HUD would no longer hold a lien on the property(ies). We could then be able to borrow money.

In order to get approval for RAD you would need to provide a list of short- and long-term capital improvements. Immediate improvements would be made to the properties and then the units would be made going forward. We would have to make cash flow projections, seek tax credits and tax credit investors. 4% tax credits would get about 30% of capital needs. 9% tax credits are very competitive and

difficult to get. We would still have a considerable gap. Additional sources of funding would be needed, and you must have these covered in order to apply to the RAD program.

Tony indicated that this would not be a viable option at this time. We will continue to review and monitor the option. Especially if RAD rents continue to go up. Tony predicts that HUD might mandate a change down the road to get away from having to make improvements. Might see this kind of change in the next 5-6 years.

Commissioner Tesoroni asked about the tax credit program discussed by the governor. Tony indicated that we would need federal low income housing tax credits. These were not the credits that the governor was referring to. This program is not as attractive as it was 6-7 years ago. Chairwoman asked if other authorities have taken the option of switching to RAD. The answer is yes. Commissioner Townsend asked if some public housing authorities have both RAD and traditional public housing funding sources. This answer was also yes. It was pointed out that once you switch to RAD it is a permanent change.

When looking at Holly Berry Court for conversion we stipulated that we would maintain management. RAD works well with an authority whose properties are in good physical condition. This is because you do not have a large capital need in the beginning.

Chairwoman Ring advised that there were resolutions to approve:

**Resolution #1-2019** Resolution approving the payment of Bills for January 2019

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Miller

Roll Call: Unanimous

Commissioner Miller recused himself from check #16345 & #16346

**Resolution #2-2019** Resolution Approving a contract for Lawncare & Snow Removal Services

Roll Call Vote:

Motion: Commissioner Tesoroni

Second: Commissioner Miller

Roll Call: Unanimous

**Resolution #3-2019** Resolution Approving a Risk Management Consulting Agreement

Roll Call Vote:

Motion: Commissioner Santoro

Second: Commissioner Miller

Roll Call: Unanimous

Chairwoman Ring asked if there was any old business. There was not.

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Chairwoman Ring asked if there was any public comment.

Mr. David Bowser, a Riverview West (RVW) tenant, had a question about a cease notice that he had received. Solicitor Robinson handled the question. He told Mr. Bowser that he would review all his information and accommodations could be made. Since this was a private matter, they could talk after the meeting.

Ms. Jane Jones also of RVW asked why there aren't cameras in the elevators. She was told that the authority would look into it again. When it was considered previously it was cost prohibitive. She also informed us that people are smoking right outside the doors, they are not going off the property as they are supposed to do. She also registered a complaint about prostitutes in the building on the 1<sup>st</sup> a 3<sup>rd</sup> when checks are received. Why can't the police monitor the situation? Paul told her that he would speak to the officers again and specify the problem dates. Ms. Jones also suggested ash tray outside.

Mr. John Hall registered a complaint about the bathrooms in the community room being locked. He doesn't not feel this is right. He also said that the back door isn't locked, this should be card access only. Betsy said she would check with the contractor about the door settings. Mr. Jones said if there were more cameras, they would be able to find out who is propping the doors open.

Mr. Joseph Felmeý was speaking on behalf of himself and Jane White. He is Jane's caregiver. He complained that the elevators are filthy, because the bathrooms are locked. He is getting harassed from the Housing Authority about his re-evaluation. He should be grandfathered. MHS used to accept bank statements. Now they only accept actual statements from SSI or an insurance carrier. Jane has applied for a corner unit, but HUD has denied her. He claims the information sent to HUD has been falsified. He is very upset. He claims MHA wants him evicted, it's a money thing. He is in violation and has a court date on 1/23/19. About the smoking issue. Charles is still smoking. Joseph has video of this. Charles is

the president and should be the example. People think that because he is still smoking that it is ok for them. He stated that Charles is the biggest drug dealer in the building. He quoted some scripture.

John Fidler had a complaint about vandalism that had been done to his car. He notified the police, but nothing has been done. People walk into the building and do whatever they want. He has taken pictures. He also stated that the MHA had refused to look at video footage when he asked them. He is trying to avoid the people that have vandalized his car. They continue to harass him. He can't leave his apartment. He feels like a prisoner.

Mr. James Mack stated that he had not had air conditioning for 4 years. He has complained about this and was told that the air was on. He wants reimbursement for the money he paid for the AC but didn't have it. He said the AC was finally turned on in 2018. He went to JCP and was told that he would be reimbursed. He has gone to legal services in Vineland. Solicitor Robinson said he would get in touch with legal services and get things back on track. Mr. Mack also stated that he had asked for a bigger apartment. He would like one with a bedroom. He stated the he was told that he does not need a bigger apartment. He feels that his issues with the AC are the reason he was denied the bigger apartment. Solicitor Robinson assure Mr. Mack that he would review all the issues.

At 6:17 Chairwoman Ring adjourned the MHA meeting to go into the Holly City Family Center meeting. Commissioner Townsend made a motion and Commissioner Santoro seconded. All Present were in favor.

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Paul Dice – Secretary

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Date